



STATE OF UTAH
NATURAL RESOURCES & ENERGY
Oil, Gas & Mining

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Cleon B. Feight, Division Director

October 25, 1982

Mr. Harold K. Kobayashi, President
Westwater, Inc.
98-1617 Piki Street
Aiea, Hawaii 96701

RE: Permitting
Harley Dome Minerals Mine
ACT/019/012
Grand County, Utah

Dear Mr. Kobayashi:

Enclosed is a copy of the Board of Oil, Gas and Mining's Mined Land Reclamation Agreement for an Escrow account; as you indicated to Susan Linner in a phone conversation that this was the form of surety preferred by Westwater, Incorporated. The form should be signed on pages 2 and 5 by you, as President of the Corporation, and a corporate seal affixed under each signature. Please note that the Division of Oil, Gas and Mining (DOGM) must be notified by the bank holding the Escrow account, as soon as the \$46,200 has been deposited. Final approval to mine cannot be given until such notification has been received in writing.

Also enclosed is a list of stipulations to the final approval. Your signature will indicate agreement with these items and the signed form will be filed along with the rest of the approved Mining and Reclamation Plan for the Harley Dome Minerals Mine.

A quick return of both of these forms will expedite the permitting process. Please contact me or Susan Linner of my staff if you have further questions.

Sincerely,

JAMES W. SMITH, JR.
COORDINATOR OF MINED
LAND DEVELOPMENT

JWS/SCL:btb

Enclosures

cc: LaRell Baker

MRP ADDENDUM

Westwater, Inc.
ACT/019/012
Grand County, Utah

Westwater, Inc., hereby agrees to accept the items listed below as part of their Mining and Reclamation Plan as submitted to the Division of Oil, Gas and Mining (DOGM) on June 3, 1982 (with other addendums received August 16, 1982, September 21, 1982 and October 12, 1982).

1. The native vegetation community cover level will be established as 17 percent ground cover, as recommended by the U. S. Bureau of Land Management (BLM).
2. At least 60 days prior to the initiation of any contemporaneous reclamation activities, soil samples will be taken for the purpose of making any fertility recommendations necessary to facilitate successful reclamation.

These tests will include, but not be limited to, soil texture, pH, electrical conductivity, available nitrogen, available phosphorus, available potassium, soluble calcium, magnesium and sodium.

3. Prior to the initiation of reclamation, Westwater will submit results of the samples taken above and consult with DOGM for the purpose of determining any soil amendments necessary (including humates) and the rate of necessary amendments.
4. If plans for topsoil stockpiling or construction of the holding dam are changed from those submitted October 6, 1982 after site reconnaissance, DOGM will be sent new maps and plans prior to any construction. In any event, DOGM will be notified as soon as the holding dam and initial topsoil stockpile are in place. Soil erosion will be minimized through a combination of temporary seed mixes, mulching and properly sloped stockpiles.
5. Westwater will employ the soil tabulation chart, or an equivalent method, to keep a running total of disturbed area versus amount of soil available for reclamation.
6. All plans and stipulations included in the BLM's Final Environmental Assessment will be considered to be part and parcel of the MRP as submitted to DOGM. Therefore, DOGM will be notified of any changes in procedure at least two weeks prior to their implementation, and of any changes in BLM requirements or stipulations.

Signature

Date

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES AND ENERGY
BOARD OF OIL, GAS AND MINING
4241 State Office Building
Salt Lake City, Utah 84114

* MINED LANDS RECLAMATION AGREEMENT *

(ESCROW)

THIS AGREEMENT, made and entered into this _____ day of _____, 19____, between _____ Westwater, Incorporated _____ a corporation duly authorized and existing under and by virtue of the laws of _____ Nevada _____ as party of the first part, and hereinafter called the Operator, and the Board of Oil, Gas and Mining, duly authorized and existing by virtue of the laws of the State of Utah, as party of the second part hereinafter called the Board.

WITNESSETH:

WHEREAS, the Operator is the owner and in possession of certain mining claims and/or leases hereinafter more particularly mentioned and described in Exhibit "A" attached hereto.

WHEREAS, the Operator did on the 4th day of June, 19 82, file with the Division of Oil, Gas and Mining, a "Notice of Intention to Commence Mining Operations and Mining and Reclamation Plan" to secure authorization to engage, or continue to engage, in mining operations in the State of Utah, under the terms and provisions of the Mined Land Reclamation Act, Section 40-8, UCA 1953:

WHEREAS, the Operator is able and willing to reclaim the above-mentioned "land affected" in accordance with the approved mining and reclamation plan, the Mined Land Reclamation Act and the rules and regulations adopted in accordance therewith.

WHEREAS, the Board has considered the factual information and recommendations provided by the staff of the Division of Oil, Gas and Mining as to the magnitude, type and costs of the approved reclamation activities planned for the land affected.

WHEREAS, the Board is cognizant of the nature, extent, duration of operations, and the fact that the Operator has been unable to obtain a surety bond.

NOW THEREFORE, for and in consideration of the mutual covenants of the parties by each to the other made and herein contained, the parties hereto agree as follows:

1. The Operator promises to reclaim the land affected in accordance with the approved mining and reclamation plan, the Mined Land Reclamation Act, and the rules and regulations adopted in accordance therewith.
2. The Operator, in lieu of posting a bond or other surety hereby agrees to deposit (\$46,200.00) dollars, commencing on the _____ day of _____, 19____.
3. The Board, in lieu of the posting of a bond, or other surety, agrees to execute an Escrow Agreement with the operator and any third party designated by said Operator.
4. Upon execution of the Escrow Agreement, the Operator agrees to furnish the Board a copy of the receipt of deposit, no later than ten (10) days after it is made.

IN WITNESS WHEREOF, the parties of the first and second parts hereto have respectively set their hands and seals this _____ day of _____, 19____.

By: _____

ATTEST:

Secretary

BOARD OF OIL, GAS AND MINING

By: _____

Note: If the Operator is a corporation, the agreement should be executed by its duly authorized officer with the seal of the Corporation affixed.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES AND ENERGY
BOARD OF OIL, GAS AND MINING
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* ESCROW AGREEMENT *

AGREEMENT made this _____ day of _____, 19 ____, between the Board of Oil, Gas and Mining, hereinafter called the Board, _____, and Westwater, Incorporated hereinafter called the Operator, and _____ hereinafter called the ESCROWEE.

WHEREAS, the Board and the Operator have entered into a Mined Land Reclamation Agreement upon terms and conditions therein set forth.

WHEREAS, the Operator desires to execute an Escrow Agreement in lieu of furnishing a Bond or other form of surety for the purpose of meeting the requirements of Section 40-8-14, UCA 1953.

IT IS THEREFORE AGREED:

1. Deposit of Escrow Fund. Commencing on the _____ day of _____, 19 ____, the Escrowee agrees to accept and the Operator agrees to deposit (\$46,200.00) dollars, in what will be hereinafter referred to as the Escrow Fund. All interest earned by the monies in said Fund shall accumulate to the benefit of the Fund until this Escrow Agreement is terminated by mutual consent of the undersigned or disbursement of the Funds therein is ordered by a court of competent jurisdiction.
2. Depository of Fund. The Fund shall be held by the Escrowee in an interest bearing account separate and apart from the personal funds of the Escrowee until such time as the Escrowee receives written direction, with respect to the disbursement of said Fund, together with interest earned thereby, signed by both the Board and the Operator.
3. Disputes. In the event of any disagreement between the undersigned or any of them, and/or any other person, resulting in adverse claims and demands being made in connection with any money, or property involved herein or affected hereby, the Escrowee shall be entitled at its option to refuse to comply with any such claim or demand, so long as such disagreement shall continue, and in so refusing, the Escrowee

shall not become liable to the undersigned or any of them or to any other person for failure or refusal to comply with such conflicting or adverse demands and the Escrowee shall be entitled to continue to refrain and refuse to act until:

- a. the rights of the adverse claimants having been finally adjudicated in a court assuming and having jurisdiction of the parties, the money and property involved herein or affected hereby; and/or
 - b. all differences shall have been adjusted by agreement and the Escrowee shall have been notified thereof in writing signed by all of the interest parties.
4. Liability of Escrowee. The Escrowee shall not be liable for any error of judgment or for any act done or step taken or omitted by him in good faith, or for any mistake of fact or law or for anything which he may do or refrain from doing in connection herewith, except his own willful misconduct.
5. Protection of Escrowee. The Escrowee shall be protected in acting upon any notice, request, waiver, consent, receipt of other paper or document believed by the Escrowee to be genuine and to be signed by the proper party or parties.
6. Accounting. The Escrowee shall under no circumstances, be compelled to furnish a formal accounting for the Escrow Fund other than at the end of each calendar or fiscal year, to notify the Board and the Operator as to the total amount contained therein and the interest accumulated thereby.
7. Fee. The fee of the Escrowee has been fixed by the Operator and the Escrowee under separate agreement. The Escrowee shall not be entitled to any additional fee for services rendered under this agreement.
8. Modification. This agreement may not be altered or modified without the express written consent of the Operator, the Board and the Escrowee.

IN WITNESS WHEREOF, the parties of the first and second parts hereto have respectively set their hands and seals this _____ day of _____, 19____.

By: _____

ATTEST:

Secretary

BOARD OF OIL, GAS AND MINING

By: _____